

ASSEMBLY BILL

No. 1430

Introduced by Assembly Member Goldberg

February 22, 2005

An act to amend Section 39607.5 of the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1430, as introduced, Goldberg. Air Contaminants.

Existing law requires the State Air Resources Board to develop and adopt, at a public hearing, a methodology for use by air pollution control districts and air quality management districts to calculate the value of credits issued for emission reductions from stationary, mobile, indirect, and areawide sources, including those issued under market-based incentive programs, when those credits are used interchangeably, with certain requirements.

This bill would prohibit this methodology from permitting credits to be used to perpetuate human exposure to air contaminants in communities within a district, or elevated risks associated with air contaminants, including, but not limited to, airborne toxics and particulate matter in low-income communities and communities with a significant minority population

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 39607.5 of the Health and Safety Code
- 2 is amended to read:

1 39607.5. (a) The state board shall develop, and adopt in a
2 public hearing, a methodology for use by districts to calculate the
3 value of credits issued for emission reductions from stationary,
4 mobile, indirect, and areawide sources, including those issued
5 under market-based incentive programs, when those credits are
6 used interchangeably.

7 (b) In developing the methodology, the state board shall do all
8 of the following:

9 (1) Ensure that the methodology results in the maintenance
10 and improvement of air quality consistent with this division.

11 (2) Allow those credits to be used in a market-based incentive
12 program adopted pursuant to Section 39616 that requires annual
13 reductions in emissions through declining annual allocations, and
14 allow the use of all of those credits, including those from a
15 market-based incentive program, to meet other stationary or
16 mobile source requirements that do not expressly prohibit that
17 use.

18 (3) Ensure that the methodology does not do any of the
19 following:

20 (A) Result in the crediting of air emissions that already have
21 been identified as emission reductions necessary to achieve state
22 and federal ambient air quality standards.

23 (B) Provide for an additional discount of credits solely as a
24 result of emission reduction credits trading if a district already
25 has discounted the credit as part of its process of identifying and
26 granting those credits to sources.

27 (C) Otherwise provide for double-counting emission
28 reductions.

29 (D) *Permit credits to be used to perpetuate human exposure to*
30 *air contaminants in communities within a district, or elevated*
31 *risks associated with air contaminants, including, but not limited*
32 *to, airborne toxics and particulate matter in low-income*
33 *communities and communities with a significant minority*
34 *population.*

35 (4) Consult with, and consider the suggestions of, the public
36 and all interested parties, including, but not limited to, the
37 California Air Pollution Control Officers Association and all
38 affected regulated entities.

1 (5) Ensure that any credits, whether they are derived from
2 stationary, mobile, indirect, or areawide sources, shall be
3 permanent, enforceable, quantifiable, and surplus.

4 (6) Ensure that any credits derived from a market-based
5 incentive program adopted pursuant to Section 39616 are
6 permanent, enforceable, quantifiable, and are in addition to any
7 required controls, unless those credits otherwise comply with
8 paragraph (2).

9 (7) Consider all of the following factors:

10 (A) How long credits should be valid.

11 (B) Whether, and which, banking opportunities may exist for
12 credits.

13 (C) How to provide flexibility to sources seeking to use credits
14 so that they remain interchangeable and negotiable until used.

15 (D) How to ensure a viable trading process for sources
16 wishing to trade credits consistent with this section.

17 (E) How to ensure that, if credits may be used within and
18 between adjacent districts or air basins where sources are in
19 proximity to one another, the use occurs while maintaining and
20 improving air quality in both districts or air basins.

21 (c) If necessary, the state board shall periodically update the
22 methodology as it applies to future transactions.

23 (d) The state board shall periodically review each district's
24 emission reduction and credit trading programs to ensure that the
25 programs comply with the methodology developed pursuant to
26 this section.

27 (e) The state board shall post on its Web site, at a minimum by
28 January 1 each year, actions taken by the state board to
29 implement this section.